

Message Text

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64

ACTION EUR-25

INFO OCT-01 NEA-10 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /184 W

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R 081523Z MAR 74

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 8601

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

C O N F I D E N T I A L COPENHAGEN 0651

E.O. 11652: GDS

TAGS: ENRG, DA

SUBJ: ENERGY: DANISH-SAUDI OIL DISCUSSIONS

REF: COPENHAGEN 0596 AND 474

BEGIN SUMMARY. EARLIER REPORTS TO THE CONTRARY,
DANES DID NOT NEGOTIATE FOR BILATERAL OIL DEAL
WITH SAUDIS DURING RECENT VISIT BY FONMIN.

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AN UNCONFIRMED SOURCE CLAIMS HE HEARD FONMIN

TELLING DANISH OIL NEGOTIATOR HE WOULD NOT PERMIT OIL NEGOTIATIONS DURING VISIT REGARDLESS OF COMMERCE MINISTRY INSTRUCTIONS LATTER HAD RECEIVED. FONMIN ALLEGEDLY CITED DENMARK'S COMMITMENT AT WASHINGTON ENERGY CONFERENCE AS REASON. OIL NEGOTIATOR CLAIMED HE WAS UNABLE TO NEGOTIATE BECAUSE TOP LEVEL SAG AND PETROMIN OFFICIALS WERE NOT AVAILABLE. END SUMMARY

1. AFTER RETURNING FROM SAUDI ARABIA, PRESIDENT OF DANOIL, GERHARD JENSEN, TOLD DANSK ESSO PRESIDENT LATIMER THAT HE DID NOT KNOW WHETHER THE COINCIDING VISIT OF THE SECRETARY OR INTERVENTION BY U.S. GOVERNMENT OR INTERNATIONAL MAJORS HAD BEEN CAUSE, BUT HE WAS UNABLE TO TALK ABOUT OIL WITH ANYONE HIGHER THAN PETROMIN MIDDLE MANAGEMENT. THESE WERE UNWILLING TO DISCUSS PRICE OR NEGOTIATE. CONSEQUENTLY MAIN PURPOSE FOR HIS VISIT WAS NOT REALIZED.

2. LATIMER SUBSEQUENTLY HEARD FROM A SOURCE HE PREFERRED NOT TO DIVULGE, BUT WHO WAS ON DANISH DELEGATION TO SAUDI ARABIA, THAT FONMIN GULDBERG AND JENSEN ENGAGED IN LOUD AND HEATED ARGUMENT ABOUT OIL NEGOTIATIONS ON PLANE WHILE TRAVELING TO JIDDA. GULDBERG ALLEGEDLY TOLD JENSEN THAT HE WAS IN NO WAY TO ATTEMPT SERIOUS OIL NEGOTIATIONS DURING THIS TRIP. JENSEN CLAIMED FULL AUTHORITY FROM COMMERCE MINISTER TO DO SO AND, AFTER MUCH DISCUSSION, WAS OVERRULED. GULDBERG REPORTEDLY SAID THAT HE HAD PROMISED SECRETARY KISSINGER AT THE WASHINGTON ENERGY CONFERENCE THAT DENMARK WOULD, FOR THE TIME BEING, REFRAIN FROM NEGOTIATING BILATERAL OIL AGREEMENTS.

3. COMMENT. LATIMER TOLD US JENSEN APPEARED VERY CRESTFALLEN AFTER HIS RETURN FROM SAUDI ARABIA AND SAID HE DID NOT KNOW WHETHER HE STILL HAD AUTHORITY TO NEGOTIATE FOR OIL IN THE FUTURE. CONFIDENTIAL

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THIS NOT ONLY SUPPORTS THE REPORT OF HIS CONVERSATION WITH FONMIN GULDBERG ON THE AIRCRAFT BUT JENSEN'S OWN REPORT OF DISINTEREST ON PART OF SAUDIS. APPARENTLY, BEHIND THE SCENES CONFLICT BETWEEN FONOFF AND COMMERCE MINISTRY ON POLICY TOWARD BILATERAL DEALS CAME TO HEAD AT LAST MINUTE, POSSIBLY BECAUSE FONOFF DID NOT KNOW QUITE WHAT JENSEN AND COMMERCE MINISTRY

WERE UP TO UNTIL ALMOST DEPARTURE TIME. FROM
VARIOUS INDICATIONS WE HAVE RECEIVED, DANES
ARE KEEPING THEIR OPTIONS OPEN BUT (FONOFF IN
PARTICULAR) WANT TO MAINTAIN PURITY OF THEIR
COMMITMENT TO MULTILATERAL COOPERATION. THIS
RESOLVE IS MADE EASIER BY THEIR INABILITY TO
FIND ANY ATTRACTIVE OFFERS.
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